

Message Text

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SUBJECT: SECVISIT LATIN AMERICA - THEMES FOR SPEECH ON US-
VENEZUELAN RELATIONS

REF: CARACAS 3620, 3834 AND 3895

1. SHOULD CIRCUMSTANCES NOT PERMIT SECRETARY TO MAKE MAJOR POLICY
SPEECH IN CARACAS (FOR WHICH WE STILL HOPE) AS WE HAVE ALREADY
DISCUSSED WITH FONMIN CALVANI, WE ANTICIPATE THAT VENEZUELAN WILL
BE
DISAPPOINTED, PARTICULARLY SINCE THEY HAVE GONE TO GREAT
EFFORTS TO PROVIDE SECURE AND PRESTIGIOUS LOCATION WHERE LARGE
GROUP (OVER 120 PERSONS) HAVE BEEN INVITED TO LUNCHEON.
IN LIEU OF MAJOR ADDRESS ON LATIN AMERICAN POLICY A MAJOR
ADDRESS ON US/ VENEZUELAN RELATIONS WOULD THEREFORE BE
INDISPENSIBLE.

2. FOLLOWING ARE SOME THEMES FOR SUCH A SPEECH DRAWN IN PART
FROM REFTELS:

A) HISTORIC TIES. BOLIVAR, THE LIBERATOR, WAS BORN IN VENEZUELA,
THUS A FITTING PLACE TO BEGIN TRIP TO SOUTH AMERICA, VENEZUELA
NOW CELEBRATING 100 TH ANNIVERSARY OF DEATH OF ANOTHER GREAT
VENEZUELAN REVOLUTIONARY HERO, GENERAL PAEZ, SECRETARY WILL
HAVE HONOR OF PRESENTING TO PRESIDENT CALDERA IN AFTERNOON SOME
OF PAEZ MEMORABILIA FROM ANCESTORS OF PAEZ AND FROM SMITHSONIAN.
STRESS CLOSE FRIENDSHIP WITH VENEZUELA THROUGHOUT PAST AND
PRESENT CENTURY, SIMILARITY OF OUTLOOK OF OUR POLITICAL SYSTEMS
WHICH FAVOR DIVERSITY AND RELIANCE ON DEMOCRATIC INSTITUTIONS
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AND POPULAR WILL. SEE AMBASSADOR'S SKETCH OF U S- VENEZUELAN RELATIONS AT PUERTO CABELLO IN SPEECH JULY 21, 1971.
DCM DEVINE WILL CARRY COPIES TO MANAGUA.

B) PETROLEUM. MAJOR FACTOR IN RELATIONS BETWEEN VENEZUELA AND US IN MODERN TIMES IN PETROLEUM. VENEZUELA HISTORICALLY IN PAST DECADES HAS BEEN OUR MOST SECURE AND IMPORTANT SOURCE OF IMPORTED OIL. FROM REVERSE OF COIN VENEZUELA IS ONE OF FEW OIL PRODUCING COUNTRIES IN WORLDWHICH HAS PROVED TO BE HIGHLY IMPORTANT MARKET FOR EXPORTS FROM U. S. EMBASSY REITERATES SUGGESTIONS MADE CARACAS 3834: THAT SECRETARY BE AUTHORIZED TO STATE THAT US WILL CONTINUE TO GRANT WESTERN HEMISPHERE PREFERENCE UP TO 50,000 B/D FOR NO. 2 FUEL OIL; THAT ON CONTROVERSIAL QUESTION OF EXPLOITATION OF ORINOCO PETROLIFEROUS BELT, WE HAVE NO IDEA ON WHEN OR HOW IT IS TO BE DEVELOPED OR ON WHO SHOULD PARTICIPATE IN DEVELOPMENT-- THIS IS QUESTION FOR VENEZUELA TO DECIDE; THAT DISCUSSIONS WERE BEGUN LAST SEPTEMBER WITH VENEZUELA LEADING TOWARD NEGOTIATIONS ON POSSIBLE US ROLE IN DEVELOPMENT OF BELT BUT STAGE OF NEGOTIATIONS HAS NOT RPT NOT YET BEEN REACHED; ON BROADER ISSUE OF RELATIONS SECRETARY MIGHT CONCLUDE BY SAYING THAT WE SHALL BE HAPPY TO TAKE ALL OIL VENEZUELA CAN PRODUCE PROVIDED IT MEETS WORLD MARKET CONDITIONS AS TO PRICE AND QUALITY. WE WOULD BE HAPPY TO CONCLUDE AN ENERGY AGREEMENT WITH VENEZUELA WHICH WOULD ESTABLISH RULES ON EQUITABLE TREATMENT FOR BOTH PARTIES.

C) TRADE. STRESS PROMISE OF REGIONAL ECONOMIC INTEGRATION PRAISE (NOT TOO LOUDLY) VENEZUELAN DECISION TO ENTER ANDEAN PACT; SUPPORT VENEZUELA'S EFFORTS TO DIVERSIFY EXPORTS AND USE PETROLEUM REVENUES TO DEVELOP BROADER INDUSTRIAL BASE; STATE MAXIMUM THAT CAN BE SAID ON FUTURE OF GENERALIZED PREFERENCES.

D) MULTILATERAL AFFAIRS. PRAISE STRONG LEADERSHIP VENEZUELA GIVES TO INTERNATIONAL BODIES (HERE PRAISE ALSO CALVANI'S PRESIDENCY OF OASGA) DEALING WITH SUCH MATTERS AS REGIONAL ORGANIZATIONS, LAW OF SEA, TERRORISM, AND NARCOTICS TRAFFIC, AND STATE THESE ATTITUDES FULLY SHARED BY US. THOUGH WE MAY NOT ALWAYS AGREE ON DETAILS IN THESE INTERNATIONAL DISCUSSIONS, WE MUST SAY THAT VENEZUELA HAS CONSISTENTLY PLAYED A POSITIVE AND SERIOUS ROLE.

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3. HISTORY, TRADE AND MULTILATERAL AFFAIRS THEMES ARE IMPORTANT TO ROUND OUT SPEECH ON BILATERAL RELATIONS, BUT MAJOR STRESS IN ANY SUCH SPEECH IN VENEZUELA MUST BE PLACED ON PETROLEUM WHICH IS VENEZUELA'S LIFE FORCE AND THE ISSUE WHICH DOMINATES ALL ASPECTS OF OUR RELATIONS. A REASSURANCE THAT US WILL PROVIDE AN OPEN MARKET, PROVIDED VENEZUELA MAKES US PRIVATE PARTICIPATION

POSSIBLE ON TERMS OF MUTUAL BENEFIT , WOULD BE A GOOD CONCLUSION
WITH FLOWERS RE BOLIVAR, PAEZ, CALDERA AND CALVANI.
MCCLINTOCK

NOTE BY OC/ T: LIMDIS CAPTION ADDED PER MR. FINNERTY, S/ S- O.

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